



Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

**Matter of:** Logicon, Inc.

**File:** B-249750; B-249750.4

**Date:** December 14, 1992

Michael A. Gordon, Esq., Holmes, Schwartz & Gordon, for the protester.  
Paul H. Rochmes, Esq., Alschuler, Grossman & Pines, and Richard B. Oliver, Esq., McKenna & Cuneo, for Geodynamics Corporation, an interested party.  
Joseph M. Goldstein, Esq., and Karen J. Kinlin, Esq., Department of the Air Force, for the agency.  
Glenn G. Wolcott, Esq., and Paul I. Lieberman, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

Protest by large business which challenges the propriety of an award under a total small business set-aside is not for consideration where protester participated only as a subcontractor and the record is clear that even if the procurement were resolicited, it would again be solicited as a total small business set-aside.

### DECISION

Logicon, Inc. protests the Department of the Air Force's award of a contract to Geodynamics Corporation under request for proposals (RFP) No. F04703-92-R-0003, a total small business set-aside. The RFP sought proposals for independent verification and validation services (that is, detection and isolation of software errors) in certain Air Force data systems and networks. Logicon protests that the Air Force should have rejected Geodynamics's proposal as unacceptable and that the Air Force improperly assisted Geodynamics in preparing its proposal.

We dismiss the protests.

On September 20, 1991, the Air Force published a "sources sought" synopsis in the Commerce Business Daily. A total of 124 small business concerns responded to this publication. The Air Force determined that at least six of the respondents were qualified to perform the contract requirements and, on that basis, concluded that competitive

proposals were likely to be submitted by two or more small businesses. Accordingly, on February 6, 1992, the Air Force issued the RFP as a total small business set-aside.

Notwithstanding the agency's expectations, only one firm, Geodynamics, submitted a proposal by the March 23 closing date. In its proposal, Geodynamics stated that it intended to use Logicon, a large business, as a subcontractor. Since the estimated value of the contract exceeded \$5 million and Geodynamics's proposal included substantial subcontracting costs, the agency determined it was necessary to perform a "make-or-buy" analysis pursuant to Federal Acquisition Regulation (FAR) § 15.703.<sup>2</sup> Accordingly, the agency asked Geodynamics to submit an alternative "make" proposal (that is, a proposal under which Geodynamics would perform the work it initially proposed to subcontract). Geodynamics complied with the agency's request and, on July 31, the agency awarded a contract to Geodynamics on the basis of its alternative "make" proposal. On August 10, Logicon filed its initial protest with our Office, supplementing the protest on November 18.

Logicon protests that it was improper for the Air Force to request an alternative "make" proposal from Geodynamics and that, in any event, the "make" proposal should have been evaluated as technically unacceptable. In its supplemental protest, based on documents it obtained pursuant to a civil suit filed in California state court, Logicon asserts that the agency improperly assisted Geodynamics in preparing its "make" proposal. Logicon contends that the Geodynamics proposal should be rejected and the requirement recompeted on an unrestricted basis, in which case Logicon would be eligible to compete.

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<sup>1</sup>The agency's independent cost estimate for this procurement was in excess of \$10 million.

<sup>2</sup>FAR § 15.703(a) states:

"Contracting officers shall require prospective contractors to submit make-or-buy programs for all negotiated acquisitions whose estimated value is \$5 million or more, except when the proposed contract--

\* \* \*

(2) Is priced on the basis of (i) adequate price competition . . . ."

Following submission of Logicon's protest, this Office received correspondence from two small business concerns indicating their interest in participating in this procurement in the event it is reopened. Consistent with the Air Force's prior survey and with these expressions of interest, the agency states in its administrative report that, in the event there was a recompetition of this procurement, it would be conducted as a total small business set-aside.

Under the Competition in Contracting Act of 1984 (CICA) and our Bid Protest Regulations, this Office only decides protests filed by an "interested party," which the statute defines as an "actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by the failure to award the contract," 31 U.S.C. § 3551(2) (1988); 4 C.F.R. § 21.0 (1992). A prospective subcontractor does not have the requisite direct interest to be considered a prospective or actual offeror. Polycon Corp., 64 Comp. Gen. 523 (1985), 85-1 CPD ¶ 567; High Tech Irrigation, Inc., B-236818, Oct. 26, 1989, 89-2 CPD ¶ 387.

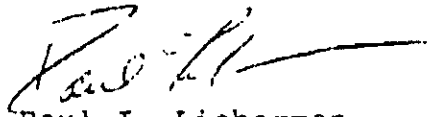
On this record, it is clear that Logicon's only interest in this procurement is that of a potential subcontractor.<sup>3</sup> Although, as a potential subcontractor, Logicon obviously has an economic interest in being able to offer its services to a prime contractor, that interest is not the direct economic interest of an actual or prospective offeror

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<sup>3</sup>To the extent Logicon is protesting that the procurement should have been conducted on an unrestricted basis, the protest is untimely since a challenge to an apparent solicitation impropriety must be filed prior to the time set for receipt of initial proposals. 4 C.F.R. § 21.2(a)(1) (1992). Further, the fact that the agency received only one small business proposal does not call into question the propriety of the agency's set-aside determination as that determination is evaluated on the basis of the reasonableness of the agency's expectation that at least two small businesses will participate in the procurement, not on the number of proposals actually submitted. See FAR § 19.502-2; Hospital Shared Servs. of Colorado, Inc., B-236005.3, Dec. 22, 1989, 89-2 CPD ¶ 582; Hopkinsville Aggregate Co., B-227830, June 16, 1987, 87-1 CPD ¶ 600. Similarly, the agency's determination that, if this procurement were to be resolicited it would be conducted as a small business set-aside, is appropriately based on the evidence of record which provides the basis for a reasonable expectation that proposals would be submitted by two or more small businesses and that award would be made at a reasonable price.

contemplated by CICA, See, e.g., Datametrics Corp.,  
B-241983, Nov. 20, 1990, 90-2 CPD ¶ 412. Accordingly,  
Logicon is not an interested party to challenge the  
propriety of the agency's award to Geodynamics.

The protests are dismissed.

A handwritten signature in dark ink, appearing to read "Paul I. Lieberman", with a long horizontal stroke extending to the right.

Paul I. Lieberman  
Assistant General Counsel